

Message Text

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ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 SS-15 NSC-05 PRS-01

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R 291547Z SEP 76

FM AMEMBASSY BANGUI

TO SECSTATE WASHDC 7691

INFO AMEMBASSY OTTAWA

AMEMBASSY YAOUNDE

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E. O. 11652: N/A

TAGS: EINV, EFIN, CT

SUBJECT: SCED DISPUTE

REF: BANGUI 1798

1. INTENSIVE NEGOTIATIONS HAVE BEEN CONTINUING BETWEEN JOLIS AND "TECHNICAL COMMITTEE". FIRST MEETING WAS MOVED BACK FROM FRIDAY TO MONDAY AND THERE HAVE BEEN DAILY MEETINGS SINCE. JOLIS HAS PRESENTED TOUGH AND FRANK COMMENTARY ON GOCAR REPORT WHICH WAS DESCRIBED BY MINISTER KOYAMBA WHO PRESIDED, AS EXTREMELY "MECHANT". BOTH SIDES, HOWEVER, HAVE AGREED TO FOREGO STERILE CONTROVERSY ABOUT PAST AND TO LOOK AT POSSIBILITIES OF RESUMPTION OF SCED ACTIVITIES.

2. GOCAR HAS TOLD JOLIS THAT HE MUST AGREE IN PRINCIPLE TO FOLLOWING CONDITIONS IF HE SERIOUSLY WISHES TO RESUME OPERATIONS:

A) SCED MUST WRITE OFF DEBT WHICH IS OWED TO IT BY ARTISANS (TOTAL OF APPROXIMATELY DOLS 400,000);

B) SCED MUST AGREE TO PAY ARTISANS AN EQUITABLE PRICE FOR DIAMONDS;

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C) SCED MUST AGREE TO REEXAMINE LIVING AND WORKING CONDITIONS

OF ARTISANS;

D) SCED MUST ACCEPT RENEGOTIATION OF BASIC CONVENTION TO PROVIDE LARGER EQUITY SHARE TO GOCAR. (GOVERNMENT NEGOTIATORS SPOKE OF 50 PERCENT, BUT LATER SAID THIS WAS ONLY AN ILLUSTRATIVE FIGURE.)

3. JOLIS HAS ACCEPTED CONDITIONS IN PRINCIPLE SUBJECT TO FURTHER NEGOTIATIONS ON DETAILS. IN TURN HE HAS DEMANDED THAT ALL RESTRICTIONS ON SCED ACTIVITIES BE LIFTED AND THAT HE BE PERMITTED TO REOPEN OFFICES, UNBLOCK BANK ACCOUNTS AND EXPORT STOCKS OF DIAMONDS AND GOL. HE SAYS HE WILL REFUSE TO SIGN ANY AGREEMENT EMBODYING CONDITIONS (PARA 2) WITHOUT REMOVAL OF RESTRICTIONS. AS OF NOW GOVERNMENT HAS REFUSED HIS DEMAND BUT MAY BE CONSIDERING PARTIAL UNBLOCKING TO WHICH JOLIS WOULD PROBABLY AGREE. ISSUE HAS BEEN REFERRED TO PRESIDENT. JOLIS IS WAITING FOR RESPONSE.

4. COMMENT: JOLIS HAS BEEN TAKING VERY FIRM LINE WITH GOCAR IN HOPES OF CALLING THEIR BLUFF AND FORCING UNBLOCKING OF SCED LIQUID RESOURCES TOTALING DOLS 300,000 OR MORE. GOCAR, WITH SOME REASON, IS DRAGGING ITS FEET UNTIL IT IS SURE JOLIS INTENDS TO RESUME OPERATIONS. DIALOGUE IS APPARENTLY AMICABLE BUT OUTCOME REMAINS IN DOUBT. MUCH WILL DEPEND ON PRESIDENT'S MOOD.
QUAINTON

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